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# FOREIGN POLICY BULLETIN

*An interpretation of current international events by the Research Staff of the Foreign Policy Association*

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## PUBLIC DISCUSSION NEEDED TO CLARIFY POLICY ON JAPAN

THE apparent determination of the Japanese to continue inflicting heavy losses on our troops in spite of the fact that Japan's ultimate military position is hopeless has produced a widespread feeling in the United States that our intentions toward the enemy must be clarified if we are not to pay an unnecessarily high price for victory. Such clarification, it is hoped, might induce the Japanese to accept unconditional surrender short of utter military defeat or, at least, might ease our problems in handling the enemy country during the period of postwar occupation. The need for making up our minds as soon as possible on policy toward Tokyo has also been underlined by the difficulties now facing us in Germany.

Current demands for a new statement of American policy reflect varied points of view. Statements that the Japanese are already willing to discuss peace with us, but that we are holding back, indicate a desire for a negotiated peace and willingness to compromise with important elements among Japan's rulers. More widespread is the demand that we "define unconditional surrender," so that the Japanese will know we do not mean to enslave or exterminate them. This was actually done by President Truman in a special V-E Day broadcast, but critics apparently feel that a more specific declaration is required. There are also many observers who emphasize first of all the necessity of indicating clearly that, in addition to defeating Japan's present war-machine, we want to root out the internal conditions responsible for Japanese aggression.

DO WE KNOW WHAT WE WANT? Since it is unlikely that anyone in Washington, London or Chungking knows in detail what the Japanese people and leaders are thinking today, the application of policy toward Japan must be highly flexible. Yet we cannot deal with the Japanese in an effective

political fashion if we are confused in our attitude toward the Emperor or enemy industrialists. Nor can we afford uncertainty in our approach toward new, anti-militarist groups that may arise in the enemy country. At the same time it is essential that our policies, in addition to being clear, contribute to the establishment of a permanently non-militaristic Japan.

Perhaps the most important principle to recognize is that Japanese aggression has been supported by virtually the entire nation—not simply a small militaristic clique. This means that the responsibility of Japan's leaders for the war extends to the Emperor, imperial court, bureaucracy and industrial circles as well as to the Army and Navy. Some individuals, of course, may have been less enthusiastic than others about carrying out particular acts of aggression, but there is no record of any top leader or group withholding support from the actions taken or refusing to benefit from the fruits of Japanese victories.

It would therefore seem extremely shortsighted for Americans to make elaborate distinctions among the various sections of Japan's rulers on the basis of past actions. Yet some of our officials unquestionably are deeply influenced by their experiences during the twenties and thirties, when the Japanese court, foreign office and business circles with which they were most familiar appeared quite westernized in their manner of life and thinking. We have since learned that this westernization did not represent the reality of Japanese politics and that the elements best known to American officialdom could not be depended on to avert Japanese aggression. Future cooperation with these individuals and groups would seem a poor guarantee of American interests.

JAPAN MUST BREAK WITH PAST. Instead,

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it would seem wise to center our attention on the Japanese people, who may prove less docile than many Americans expect, in the hope that new tendencies will develop in Japan as a result of wartime experience. Although we need not exclude the necessity of working with some figures of the present regime in the period following Japan's defeat, our general actions at that time and our current propaganda should indicate that we do not base our hopes on these individuals. Our main effort should be to encourage the Japanese people to break with the imperial system, even though we cannot predict their response. Some observers may fear that this would foster instability in postwar Japan, but it will probably cost us far less in the long run to help build new economic and social foundations for an unaggressive Japan than to repair in haste the weakened social structure of the nation we are now defeating.

It is of the utmost importance in developing our policy toward Japan to express our views in such a way as not to destroy the concept of unconditional surrender. The Japanese are looking for any sign of weakness on our part and would be greatly encouraged by indications of indecision or willingness

## FARRELL REGIME'S ECONOMIC MEASURES UNITE ITS OPPONENTS

In the face of mounting popular opposition, the military government of Argentina seems undecided whether to try its fortunes at the polls sometime early next year or to abandon all pretense of governing with the approval of the people and challenge its critics to provoke civil war. At the Army-Navy Independence Day Dinner on July 6, President Edelmiro Farrell pledged himself to call completely free elections before the end of the year and to hand over the government to those who are then elected by a majority of the people. But on the same occasion Vice-President Juan Perón delivered a fighting message to the armed forces, in which he accused the opposition of plotting insurrection and declared that if a struggle occurred, he would be ready to shed his blood "in an action which will know no quarter." It is not yet clear what the sentiments within the Army leadership are concerning the elections, but both men took occasion to deny assertions that the régime in recent months has lost some of its following among the armed forces.

**BATTLE OF MANIFESTOES.** These statements were called forth by one of the most remarkable demonstrations of popular disaffection with the government which has ever been made in a country where public opinion is severely suppressed. Almost all important sectors of opinion, except the workers, have seized the opportunity to express open disapproval of national policies at a moment when world attention is focused on the internal situation in

to stop the war short of complete victory. It would also be unrealistic to suppose that a full clarification of American objectives can be achieved through a single, unilateral declaration. What we say in our daily propaganda to Japan and the concepts that guide our plans for the occupation of Japan are more crucial than any individual statement. The probability that the Russians will enter the Far Eastern war also suggests that a decisive declaration on Japan may have to be an international, four-power document.

Meanwhile, it would be desirable to have extensive discussion of the future of Japan in this country. Such discussion would be aided if the State Department could indicate publicly that it looks toward a far more thorough renovation of Japan than that involved in mere removal of a few militarists. It is time to recognize that the theory behind our Japan policy ought to be at least as broad as that implicit in our public statements on Germany, in which we recognize that aggression was the work not only of the Nazi party and the General Staff, but also of the Junkers and Germany's industrial leaders.

LAWRENCE K. ROSINGER

(The last in a series of articles on American Far Eastern Policy.)

Argentina, and the Buenos Aires government cannot very well undertake reprisals if it is to justify its recent entrance into the United Nations. Only the labor unions have not come out against the régime, and their failure to do so may be ascribed not so much to their approval of its social policies, as to the fact that union leadership has largely been replaced by supporters of Perón. In normal times, the organizations representing Argentina's commerce and industry, on the one hand, and the spokesmen for agricultural and livestock interests, on the other, who have recently issued statements protesting the price and wage ceilings decree of June 2, would make strange bedfellows. And it must be admitted that their objection to state interference in private enterprise extends as well to the "very advanced social policy" of the government.

These groups recognize that temporary measures to curb the inflationary increases in incomes and monetary circulation are imperative. But the new ceilings on prices and wages are criticized because of the arbitrary fashion in which they were fixed without consultation with the interested producers and trade groups and without regard to prevailing production costs. As the list of articles affected by the decree is extremely elastic and apparently includes all items destined for use and consumption by the public, it is predicted that the new measures will create great disturbance throughout industry, causing evasions of the price regulations, deterioration

of the quality of the product, and even restriction of manufactured output and trade with consequent unemployment.

**INDUSTRIALIZATION PROGRAM THWARTED.** Industrial and commercial groups contend that rising government expenditures have contributed in large part to the inflation. Despite a 50 per cent increase in real government income, the 1944 deficit has reached the unprecedented amount of a little over 1 billion pesos—a 300 per cent rise over the 1940 deficit. Many Argentines believe that a considerable amount of this spending has gone into arms production, although there are no official figures to substantiate this. Large sums have also been appropriated for establishment of recreation centers, housing projects and the like. Such expenditures are scored not only because of their inflationary consequences but also on the ground that they hamper the future development of Argentina's industrial economy, since they constitute a drain on the small capital resources of the nation. The producers' groups do not believe that prosperity can be achieved in the social-revolutionary climate prevailing in Argentina, in which government agencies arbitrarily accord economic benefits to one group today, only to reverse the procedure tomorrow if necessary. In their manifesto, they suggest the creation of "parity commissions which . . . shall draw up real agreements in accordance with the particular circumstances of each industry or trade and the peculiarities of the different zones of the country, without prejudice to the adoption, according to the same norms, of a vital minimum wage." But since, in the long run, an improvement in standards of living can only be brought about by increased production at lowered prices, they ask release from the restrictions which now prevent industry from increasing its output, especially those concerning fuel or electricity consumption, export prohibitions, and transport, and assurance that import needs, including new plant equipment, will be filled.

**NO HELP FROM ABROAD.** It must be admitted that Argentina's economic difficulties do not arise from unsound domestic policies alone. Almost all the Latin American countries in the past two or three years have suffered inflation, and Argentina's experience has been no exception. Those governments which actively cooperated with the United States did receive some help in the form of allocations of such industrial equipment and fuel as could be spared. Argentina's quotas were minimal, however,

and apparently were not enlarged as a result of the visit of Avra Warren, head of the Division of American Republics of the State Department, to Buenos Aires, shortly after the United States recognized that government. Nor is it likely that, after Assistant Secretary Will Clayton's report on June 25 to the Senate Military Affairs Committee that of 108 Axis economic spearheads in Argentina, not one had been eliminated, Argentina can expect increased shipments from the United States in the foreseeable future.

It is difficult to see how the military régime of Buenos Aires can extricate itself from the vicious circle in which it finds itself as a result of its unpopular domestic economic measures and its unacceptable foreign policy. If, despite the opposition of extremists within the Army, the free elections promised by President Farrell can be held, the government, even with the support it allegedly has among Argentine labor, must fall. In a meeting attended by over 1,000 prominent party members, the Radical Party—through which Perón had hoped to arouse middle class opposition to the "economic oligarchy . . . which governed so many years"—declared itself unequivocally opposed to the government. The outcome of the recent elections in Peru, where the democratic candidate of the erstwhile outlawed APRA party, Dr. José Luis Bustamante, won by a wide margin over the "official" candidate, holds promise that in Argentina, too, if the people are free to speak their mind, the issue can be solved democratically.

OLIVE HOLMES

*Civil Aviation and Peace*, by J. Parker Van Zandt. Washington, Brookings Institution, 1944. \$1.00

Mr. Van Zandt, an expert in aviation, here analyzes the relation of civil aviation to its potential use for military purposes. Concluding that the latter is but a minor aspect of the problem, the author proposes the freest and widest possible development of aviation in the future.

*American Policy Toward Palestine*, by Carl J. Friedrich. Washington, Public Affairs Press, 1944.

Brief statement of the history of America's official pronouncements toward Palestine. The most important documents from the Congressional Resolution of 1922 through the proposed Congressional Resolution of 1944 are reproduced in the Appendix.

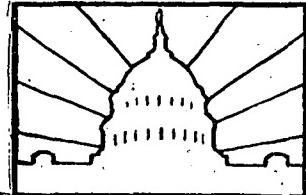
*The Great Decision*, by James T. Shotwell. New York, Macmillan, 1944. \$3.00

The director of the Division of Economics and History of the Carnegie Endowment for International Peace presents in outline the conditions and organization necessary in establishing a world security system.

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# Washington News Letter



## BIG THREE TO DEFINE RESPONSIBILITIES IN EUROPE

President Truman told the closing session of the San Francisco conference on world organization that the signing of the United Nations charter was but a "first step" toward the establishment of a cooperative system of security. The Potsdam conference of President Truman, Marshal Stalin and Prime Minister Churchill will give the United States, Britain and Russia an opportunity to carry forward another step the doctrine that the great powers have joint and equal responsibility for the settlement of international problems, wherever they may arise. Such problems as the Straits, control of Berlin, Tangier, and Syria and the Lebanon reveal the need for cooperative action by all the nations concerned.

**AGENDA COVERS EUROPE AND ASIA.** The goal at Potsdam is agreement on settlement of the outstanding political and economic problems the war has left behind in Europe, with some attention to military problems in Asia. The Big Three will attempt to agree on unified policy toward China, aimed at the union of the Chungking and Yenan governments. The chief issue is the treatment of Germany, for previous conferences and diplomatic exchanges have failed to define explicitly the nature of allied policy. The misunderstanding that arose on July 4 among the occupation armies of the United States, Britain and Russia concerning sources of food for Berlin reflects some of the difficulties that joint Allied occupation of Germany is temporarily bound to create.

Methods for hobbling Germany economically in the interest of lasting peace will be decided on when the Potsdam conference receives the recommendations of the Reparations Commission, which has been conferring in Moscow for more than a month. Edwin W. Pauley is the chief American representative on that commission. "Absolute insurance against German or Japanese rearmament—ever again—comes first with us," Truman announced on May 15 in a statement on reparations.

The political rehabilitation of the Axis satellite states in eastern Europe, especially Hungary and Austria, poses another urgent problem for the conference. Truman, Churchill and Stalin are expected to consider the criticism that the tripartite occupation of such a small state as Austria creates needless economic hardship, and to prepare the way for the re-

turn of Austria to the society of nations as an independent state. A broadly-based provisional government, of which Bela Miklos is premier, still governs Russian-occupied Hungary. The lack of agreement among the Big Three concerning their interests in the eastern satellites defeated by the Red armies—Hungary, Rumania and Bulgaria—has caused considerable friction which the Potsdam conferees will seek to alleviate.

**POLICY OF JOINT ACTION ADVOCATED.** The joint interest of the three governments represented at the meeting in Potsdam extends southward from Europe into the Mediterranean region and especially to the entrances of that great waterway. The Soviet Union on June 22 presented a note to the Turkish government outlining, according to unofficial information, the basis on which Russia would negotiate a new treaty to replace the Russo-Turkish treaty of 1925 denounced in Moscow on March 20. One Soviet requirement is said to be that Turkey accord to Russia a privileged status in the Straits, which link the Black and Aegean Seas. On July 1 the United States, Britain and France opened conversations about the future status of Tangier, which guards the Strait of Gibraltar, entrance from the Atlantic Ocean into the Mediterranean, and on July 3 Moscow asserted an interest in the conversations. It has been suggested that at Potsdam the Big Three will try to reach a general agreement granting equal rights to all the powers not only for the Straits and Tangier but perhaps also for the Suez Canal and Bab el Mandeb, with due regard for existing treaty and contractual arrangements.

Any hesitation on the part of the United States now to assume its full measure of responsibility in the European task would jeopardize the world's chance for lasting peace and compromise the great effort this country has made on behalf of international cooperation, symbolized by the drafting of the United Nations Charter. At Yalta President Roosevelt agreed that the United States would concert with Britain and the Soviet Union "during the temporary period of instability in liberated Europe." At Potsdam President Truman is expected to carry American foreign policy forward by defining further this country's peacetime responsibilities on the continent.

BLAIR BOLLES

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